

Association of International Certified Professional Accountants

Board of Directors

Minutes of Meeting: Tuesday, June 27 – Thursday June 29, 2017

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Association of International Certified Professional Accountants

Board of Directors

Minutes of Meeting: June 27-29, 2017

A meeting of the Association Board of Directors was held June 27-29, 2017 in New York, USA. The meeting convened at 1:00pm and a quorum was declared.

Attendance

The following Board members were present:

Andrew Miskin, Chair	Mandy Nelson
Tim Christen, Vice-Chair	Barry Melancon, CEO, Association
Paul Ash	Rick Niswander
Anita Baker	Anne Northup
Bob Beedham	Chandana Panditharatne
David Bennello	Margery Piercey
Mark Begich	Bill Pirolli
Tom Broderick	Jeff Porter
Paul Curth	Amy Radin
Yolanda Don-Pierrot	Amal Ratnayake
Kimberly Ellison-Taylor	Elaine Richardson
Melody Feniks	Chris Schmidt
Terry Grafenstine	Paul Stahlin
Dan Griffiths	David Stanford
Eric Hansen	Mary Stone
Andrew Harding, CEO, MA	Steve Swientozielskyj
Nick Jackson	Louise Taylor
Ed Jordan	Ron Yates
J. Michael Kirkland	

The following staff members were present:

Erik Asgeirsson, CEO and President
CPA.com

Baljeet Basra, Senior Director
Governance and Corporate Affairs

Mike Buddendeck

General Counsel
Lawson Carmichael, Executive Vice President
Strategy, People & Innovation
Sue Coffey, Executive Vice President
Public Practice
Heather Collins, Director
Governance
Jamie Greary, Associate Manager
Governance
Cindy Lund
Vice President - State Society Affairs
Janice Maiman, Executive Vice President
Communications, PR & Brand
Mark Peterson, Executive Vice President
Advocacy
Anthony Pugliese, Executive Vice President
Membership, Technology & Learning
Scott Spiegel,
Vice President - Strategic Partnerships & Corporate Development
Gail Stirling, Executive Vice President
Professional Standards & Conduct
John Windle
Chief Financial Officer
Cheryl Wipper
Vice President, Communications, Reputation and Brand

The following observers were present:

Cindy Adams, CEO
Iowa Society of CPAs
Joanne Barry, CAE
Executive Director, New York State Society of CPAs

Welcome and Opening Remarks from the Chair

The Chair, Andrew Miskin, welcomed the members of the Board of the Association of the International Certified Professional Accountants, to the Board meeting. Myriam Madden was unable to attend the meeting and sent her apologies. The Chair introduced David Benello and Amy Radin, new At Large members of the Board. He also welcomed Joanne Barry and Cindy Adams, from the State Societies, who attended as observers.

The Board approved the minutes of the meeting held on April 27-29, 2017.

Kimberly Ellison-Taylor outlined to the Board the assignments made to the Remuneration and Talent Committee and to the Audit and Finance Committee. In addition, Louise Taylor and Paul Curth had been asked to remain as members of the Audit and Finance Committee for one year to provide continuity.

The Chair reminded the Board of the pace of external change and its responsibility to look to the future and to take advantage of changes. It was recognized that a risk based but innovative approach needed to be taken to identify opportunities for growth and progression.

Report from the CEO

The CEO, Barry Melancon, outlined to the Board the activities that take place in each of the Association offices in the U.S.

He informed the Board of key strategic partnerships that were being formed with other professional bodies and summarized the roles of key regulators. He educated the Board of the success of the Engage Conference and explained the impact of IBM Watson and Blockchain on the profession.

The Board was briefed on research into the future of finance and of strategic discussions that took place at the recent meetings of the AICPA and CIMA Councils. The Board received a report on progress against key performance indicators and it was noted action could be taken to address those areas behind target. The Board discussed the balance between targeting

messages about the Association at new members and ensuring adequate communication with existing members.

The CEO announced that John Windle, Chief Finance Officer, was retiring end of July and Scott Spiegel had been appointed as incoming Chief Finance Officer. The Board thanked John Windle for his contribution to the Association and congratulated Scott Spiegel on his new role.

Report from the Audit and Finance Committee

Eric Hansen, Chair of the Audit and Finance Committee, informed the Board the Committee was addressing the recommendations made by the auditors; preparing the Association to adapt the COSO risk assessment framework; and preparing for forthcoming security and privacy changes. The Committee had received an update on investments, an updated financial forecast, finalized the savings payments plan and approved auditor fees.

John Windle, Chief Finance Officer, explained that current projections were that the deficit would be higher than budgeted and the objective was to reduce this down to the original forecast by year end; commercial revenues had dipped; and reserves had been allocated to recent strategic initiatives.

It was confirmed that also the deficit will reduce in the future as investment in the creation of the one organization and globalization of CPD value drivers completes.

Blockchain and the Profession

The Board invited guest speaker, Ron Quaranta of Wall Street Blockchain Alliance, to present on Blockchain.

Mr. Quaranta explained the blockchain concept and its benefits. Blockchain enables transparency and real time transactions, builds on the previous block thereby reducing the risk of fraud. Blockchain could be used in a range of sectors and transactions from accountancy and smart contracts to tax matters and estates and trusts.

Association Chair Transition & Remarks for Outgoing Members

The Chair stated that it had been a huge privilege to be part of the creation of the Association. He thanked the vice-chair, CEO and Board members for their support and hard work. He was proud about the creation of the Association.

The Chair presented a gift that was being sent to each Board member in recognition of their work in forming the Association. He also thanked the staff for their work too on forming the Association and on progressing numerous strategic strands, paying special thanks to John Windle who was retiring.

The Chair presented scrolls to outgoing members Nick Jackson and Paul Stahlin and confirmed he would personally present a scroll to Myriam Madden. Nick Jackson and Paul Stahlin thanked the Board and each stated that they were honoured to have been part of the formation of the Association.

Incoming Chair, Kimberly Ellison-Taylor, presented gifts from the Association to Andrew Miskin and Tim Christen to thank them for their leadership of the Board. David Stanford, Tim Christen and Barry Melancon paid tribute to Andrew Miskin for his leadership of the Association.

The Chair presented the Association gavel to incoming Chair, Kimberly Ellison-Taylor.

Creating a Pipeline of Future Leaders in the Profession

Mark Koziel, Executive Vice President – Public Accounting, presented to the Board on the Leadership Academy. He outlined how the Academy had been created, the enrolment process and its successes, which included that most members become members of committees and boards at State Society, Council or Association level and become speakers at conferences. Attendees speak about how the Academy positively changes their career.

The Academy was being rolled out globally, beginning with the first session in London in April 2018. The application forms and material were available for candidates to apply to join.

The Board noted that this was a fantastic initiative. They added that thought will need to be given to supporting members from small and medium enterprises and those in emerging markets.

Closing Remarks by the CEO

Barry Melancon, Chief Executive Officer, commented that there were a number of initiatives taking place which cover a diverse membership. They included introducing CGMA into the US market; the impact of technology on audit; and follow up on the strategic discussions that had taken place. He informed the Board that business process re-engineering had commenced and this would involve a review of all work and functions.

Closing Remarks by the Chair

Andrew Miskin, Chair, reminded the Board of the transformation that it had achieved and that it was achieving the objectives it had set out to do. He asked the Board to continue to be brave and supporting.

The Chair added that in the future the Board will need to review its size and effectiveness and challenged the Board to achieve highly ambitious targets.

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There being no further business, the meeting adjourned at 13:00 on Thursday, June 29, 2017.

Association of International Certified Professional Accountants

Public Accounting Professional Unit and AICPA Board of Directors

Minutes of Meeting: Wednesday, June 28, 2017

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Association of International Certified Professional Accountants
Public Accounting Professional Unit and AICPA Board of Directors
Minutes of Meeting: Wednesday, June 28, 2017

A meeting of the Public Accounting Professional Unit Board of Directors was held on Wednesday, June 28, 2017 in New York, NY. The meeting convened at 8:00am EDT.

Attendance

The following Board members were present:

Anita Baker
Mark Begich
Tom Broderick
Paul Curth
Kimberly Ellison-Taylor
Melody Feniks
Terry Grafenstine
Dan Griffiths
Eric Hansen
Barry Melancon
Mandy Nelson
Anne Northup
Margery Piercey
Bill Pirolli
Jeff Porter
Chris Schmidt
Mary Stone
Ron Yates

Also present:

Erik Asgeirsson, President & CEO
CPA.com
Michael Buddendeck

General Counsel & Secretary
Susan Coffey, Executive Vice President
Public Practice
Heather Collins, Director
Governance
Cindy Fornelli, Executive Director
Center for Audit Quality
Jamie Geary, Associate Manager
Governance
Jeannette Koger, Vice President
Member Specialization & Credentialing
Mark Koziel, Executive Vice President
Firm Services
Carl Mayes, Senior Manager – Special Projects
Public Practice & Global Alliance
Scott Spiegel, Vice President
Strategic Partnerships & Corporate Development
Mark Thomas, Senior Vice President
Aon Affinity Insurance Services
Mark Peterson, Executive Vice President
Advocacy

Chairman's Report

Kimberly Ellison-Taylor, Chairman of the Board, opened the meeting by welcoming the Board members.

Ms. Ellison-Taylor presented the April 2017 Board meeting minutes as well as the draft agenda of the Fall Council meeting, both receiving Board approval.

Chris Halterman, Executive Director – Public Accounting at Ernst & Young, LLP, received the Special Recognition Award, presented by Ms. Ellison-Taylor. The award is given to an individual who has performed or contributed to the success of a particular project or initiative of an outstanding nature. Mr. Halterman has worked tirelessly to establish the profession as the premier provider of high quality, independent information security services.

Mutual Recognition Agreement Approval

Sue Coffey, Executive Vice President – Public Practice, presented the Board with a resolution for delegating approval authority for Mutual Recognition Agreement (MRA) renewals and extensions:

WHEREAS, The U.S. International Qualifications Appraisal Board (“IQAB”) is a joint body of the American Institute of Certified Public Accountants (“AICPA”) and the National Association of State Boards of Accountancy (“NASBA”); and

WHEREAS, The IQAB is authorized to evaluate mutual recognition agreements (“MRAs”) with professional organizations outside the United States, whether new or existing, and make recommendations to the AICPA and NASBA Boards of Directors (“Boards”), which are subject to the approval of the Boards; and

WHEREAS, An MRA enables a qualified professional accountant from another country to practice in the United States without having to completely re-credential, and in turn provides similar recognition to U.S. CPAs who wish to practice in that same country; and

WHEREAS, The AICPA Board has determined that it is appropriate to delegate AICPA’s President and CEO and AICPA’s Board Chair, jointly, with the authority to approve, on the Board’s behalf, IQAB recommendations in relation to an MRA renewal or extension.

NOW BE IT RESOLVED, That in addition to the continued authority of the AICPA Board in this regard, which is explicitly retained, the persons then serving as AICPA’s President and CEO and AICPA Chair are hereby jointly delegated the authority, acting on behalf of, and in the name of, the AICPA Board to approve IQAB recommendations to either renew or extend existing MRAs; and

BE IT FURTHER RESOLVED, That the AICPA President and CEO shall update the AICPA Board regarding any MRA renewals or extensions that have occurred since the most recent AICPA Board meeting, as well as report on any other significant IQAB recommendations; and

BE IT FURTHER RESOLVED, That the AICPA Board reserves the right to revoke or modify such aforementioned delegation of authority at any time in the AICPA Board’s sole and absolute discretion.

After further discussion, the Board unanimously approved the resolution.

Secretary's Report

Michael Buddendeck, General Counsel and Secretary, delivered the Secretary's Report (reflecting membership ballot Nos. 984, 985, and 986 for the time period of 4/12/17 to 6/22/17 admitting 4,167 members, accepting 55 resignations, 33 reinstatements and 32 advances of dues). Upon a motion duly made and seconded, the Board accepted the Secretary's Report, which is attached under **Appendix A** of the meeting minutes.

Integrated Services to Individuals

Jeannette Koger, Vice President – Advisory Services and Credentialing, and Sue Coffey, Executive Vice President – Public Practice, provided the Board with an update from the April Board meeting including what integrated tax and financial planning services encompasses, trends and implications to the profession, 11 key tactics to support our membership to be best positioned for the future of services to individuals.

Ms. Koger and Ms. Coffey reviewed the evolving client expectations in tax and financial planning, including reliance on a single point of contact, professionals who have life planning/coaching skills and who hold a credential that demonstrates competency in addition to integration of client facing technology. Additionally, they discussed various credential options along with their pros, cons, and risks for each option along with meeting member needs with a credential that will best address client expectations.

Practice Quality Initiatives (EAQ update, annual AQC and Peer Review Updates)

Carl Mayes, Senior Manager – Special Projects, Public Practice & Global Alliance, informed the Board the AICPA Peer Review Program is working toward improved detection of non-conformity in audits by taking steps to strengthen peer reviewer performance and Peer Review population completeness. These efforts have produced improved detection of non-conformity in the second year of our Enhanced Oversight Program.

Mr. Mayes also presented an update on Enhancing Audit Quality (EAQ) which is taking a data-driven approach to quality improvement. The strategy is to analyze audit data from various sources, detect trends inhibiting quality performance and take targeted action.

Additionally, Peer Review has seen recent changes with the launch of the Peer Review Integrated Management Application (PRIMA), which replaced the previous information system and allows us to collect meaningful data which will help better serve members.

CAQ Annual Report

Cindy Fornelli, Executive Director - Center for Audit Quality, provided the Board with an overview of the Center for Audit Quality (CAQ). Her presentation examined the past, present, and future of the CAQ's work on behalf of public company auditors.

Ms. Fornelli covered several key ongoing initiatives for the CAQ, including funding independent research, collaborating with partners in the fight against financial reporting fraud, and furthering efforts to illuminate and enhance the important work of audit committees as well as initiatives that address the future of public company auditing. Additionally, Cybersecurity has also remained a future-focused priority for the CAQ.

Offering a Long-Term Care Product for Members

Scott Spiegel, Vice President - Strategic Partnerships & Corporate Development, and Mark Thomas, Senior Vice President - Aon Affinity Insurance Services, demonstrated to the Board the Long-Term Care Insurance services that will be provided to members.

Mr. Spiegel presented a motion for approval to move forward with the Long-Term Care Insurance. After discussion, the motion was seconded and approved.

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There being no further business, the meeting adjourned at 12:30pm on Wednesday, June 28, 2017.

Association of International Certified Professional Accountants

Management Accounting Board of Directors

Minutes of Meeting: Wednesday 28 June 2017

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Association of International Certified Professional Accountants
Management Accounting Board of Directors
Minutes of Meeting: Wednesday 28 June 2017

A meeting of the Management Accounting Professional Unit Board of Directors was held on Wednesday 28 June 2017. The meeting convened at 8am.

Attendance

The following Board members were present:

Andrew Miskin, Chair
David Stanford, Vice-Chair
Tim Christen
Paul Ash
Bob Beedham
David Benello
Yolanda Don-Pierrot
Andrew Harding, CEO, MA
Nick Jackson
Ed Jordan
J. Michael Kirkland
Rick Niswander
Chandana Panditharatne
Amy Radin
Amal Ratnayake
Elaine Richardson
Paul Stahlin
Steve Swientozielskyj
Louise Taylor

Also present:

Erik Asgeirsson, CEO and President
CPA.com

Joanne Barry, Executive Director
New York State Society CPA

Baljeet Basra, Senior Director
Governance and Corporate Affairs

Lawson Carmichael, Executive Vice President
Strategy, People & Innovation

Nate Fredrickson, Vice- President
Americas

Mark Koziel, Executive Vice President
Public Accounting

Cynthia Lund, Vice-President
State Society

Ash Noah, Vice-President
External Relationships

Anthony Pugliese, Executive Vice President
Membership, Technology & Learning

Gail Stirling, Executive Vice President
Professional Standards & Conduct

Noel Tagoe, Executive Vice President
Academics

Arleen Thomas, Managing Director
Americas and Global Markets

John Windle, Chief Finance Officer
Association

Cheryl Wipper, Vice-President
Communications, Reputations & Brand

Welcome

The Chair, Andrew Miskin, welcomed members to the meeting.

The minutes of the Board meeting held on 28 April 2017 were agreed as a true record. The Chair reported that on matters arising the constitution of the CGMA Exam Board did not need to include two members of the MA Board.

Nominations MA sub-committee report

Gail Stirling, Executive Vice-President, Professional Standards and Conduct, informed the Board of the nominations made by the Nominations MA sub-committee to the management accounting

committees and to the Regional Boards. A schedule of the successful candidates (nominated and elected) would be posted to Boardpad.

Report from the CEO

Andrew Harding, CEO - Management Accounting, presented his report on market and professional insights.

He informed the Board of emerging trends in relation to management accounting, events and conferences that had taken place and of strategic partnerships that were being formed.

The move by businesses towards business partnering extended the opportunities for CGMAs to work in firms due to the skills they possess in this area. The Board was informed that new skills and capabilities that management accountants need to deliver to meet the demands of the changing workplace were constantly being identified.

There had been a shift in the demand for examinations, and new methods, such as exam coupons, international pricing models and delivery of standalone qualifications, were being utilized to improve demand for the qualification and completion of exams.

The Board noted that developments in management accounting had to keep up with the pace of changes in the external market and that strategic opportunities had to be carefully selected to ensure they added value to members and the Association.

Future of Finance

Noel Tagoe, Executive Vice President – Academics, presented on research he was undertaking into the future of finance, its role and how it will change.

The Board was informed that the research included meetings with a large number of senior individuals in a range of organisations covering many countries. Emerging findings included the impact of technology, artificial intelligence, globalization, geopolitics and changes in consumer expectations which

impact upon the role of finance professionals and the skills they need to deliver value to businesses. Role and skills requirement changes would also prompt changes to the CGMA syllabus.

Opening the US Market to CGMA

Arleen Thomas, Managing Director Americas and Global Markets, outlined to the Board that substantial activity was being undertaken to deliver the value driver of opening the US market to CGMA.

Nate Fredrickson, Regional Vice-President, Americas, presented on the approach that will be taken in the US to enrolment, entry points into the qualification, assessment, qualification delivery, the pricing model and the learning model which would be utilized. The products would be launched this year.

Ash Noah, Vice-President, External Relations, informed the Board of engagement taking place with employers who were interested in delivery of the CGMA qualification to their employees. He outlined the market insights he had gained which included the positive impacts businesses stated they gain by having CGMA qualified staff.

Progression and implications to the pipeline

Arleen Thomas, Managing Director Americas and Global Markets, and Kevin Henson, Vice-President of Strategy and Business Intelligence, presented this item. They outlined the findings of research into the background of members who complete the CGMA qualification, those who do not progress, the triggers for progression and the benefits to individuals and employers from the qualification. The Board also heard about the top CFO programme and that it would be rolled out globally.

The research enabled market segmentation, identification of activity to encourage members to complete the CGMA qualification and to improve the customer experience.

Any Other Business

The Chair thanked the presenters for their presentations. He reminded the Board that it needed to remain resolute and make decisions based on data and research.

The Chair thanked the Board members as this was his final meeting on the MA Board and he congratulated David Stanford the incoming Chair.

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There being no further business, the meeting adjourned at 12:48 HRS on Friday 28 April 2017.